

BIALSON, BERGEN & SCHWAB
2600 El Camino Real, Suite 300
Palo Alto, California 94306
Telephone: (650) 857-9500
Facsimile: (650) 494-2738
Lawrence M. Schwab, Esq. -- California Bar No. 085600
Patrick M. Costello, Esq. -- California Bar No. 117205

- and -

OCHS & GOLDBERG, LLP
60 East 42nd Street, Suite 1545
New York, New York 10165
Telephone: (212) 983-1221
Facsimile: (212) 983-1330
Martin P. Ochs, Esq. - Bar No. MO-1203

Attorneys for Creditor
Solelectron Corporation

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
In re : Chapter 11
DELPHI CORPORATION, et al. : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)
----- X

**RESPONSE OF SOLECTRON CORPORATION TO
THIRD OMNIBUS OBJECTION TO CLAIMS**

Solelectron Corporation, on behalf of itself and its various subsidiaries and affiliates, including Solelectron Manufactura de Mexico SA (collectively "Solelectron"), responds to the Third Omnibus Objection to Claims (the "Objection"), filed on behalf of Delphi Corporation and certain of its subsidiaries and affiliates (collectively "Delphi") as follows:

///

///

///

///

I. **BACKGROUND**

1. Prior to the commencement of the above-captioned cases, Solectron sold components and products to Delphi on credit terms pursuant to a long-term supply and manufacturing contract.

2. On October 14 and 18, 2005, Solectron made written demand on Delphi for the return of certain components and products delivered to Delphi shortly prior to the commencement of the Chapter 11 cases. Solectron thereafter timely submitted a proof of claim for amounts due Solectron in connection with the supply and manufacturing contract. Solectron's proof of claim was assigned claim number 10914 and asserted a total unsecured claim of \$10,382,335.46 for goods and products delivered under the supply and manufacturing contract, and further asserted that \$2,133,185.60 of that amount was entitled to treatment as a priority claim based on Solectron's reclamation rights.

3. In its Third Omnibus Objection to Claims, Delphi objects to claim no. 10914 and seeks to have Solectron's claim reduced to a general unsecured claim in the amount of \$7,408.798.08.

II. **RESPONSE TO OBJECTION**

4. Delphi has objected to the dollar amount of claim no. 10914 because the full dollar amount asserted is not reflected on Delphi's books. Representatives of Solectron and Delphi are actively engaged in reconciling their respective records and substantial progress has been made in this effort. Delphi has agreed that pending the completion of the reconciliation, Delphi will modify the relief requested with respect to claim no. 10914 to have the claim modified to a general unsecured claim of \$10,382,335.46. This is without prejudice to Delphi's right hereafter to object to claim no. 10914 on any grounds it deems appropriate. Delphi's counsel has further represented

that the order disposing of the Third Omnibus Objection will provide that it is without prejudice to Solelectron's reclamation rights as well as Delphi's right to ///

object to any aspect of such claimed reclamation rights. Based on the foregoing, Solelectron has no objection to the relief requested by the Third Omnibus Objection.

Dated: November 20, 2006
Palo Alto, California

s/Patrick M. Costello
Patrick M. Costello, Esq. (CA 117205)
BIALSON, BERGEN & SCHWAB
2600 El Camino Real, Suite 300
Palo Alto, California 94306
Telephone: (650) 857-9500
Facsimile: (650) 494-2738

- and -

s/ Martin P. Ochs
Martin P. Ochs, Esq.
OCHS & GOLDBERG, LLP
60 East 42nd Street, Suite 1545
New York, New York 10165
Telephone: (212) 983-1221
Facsimile: (212) 983-1330
Attorneys for Creditor
Coherent, Inc.